Revival of Sponge Iron India Limited

*590. DR. Y. LAKSHMI PRASAD : Will the Minister of STEEL be pleased to state :

(a) whether worker's unions of Sponge Iron India Limited have submitted a proposal for revival of the Company; and

(b) if so, the reaction of Government to the proposal ?

THE MINISTER OF STEEL (SHRI DILIP RAY) : (a) Yes, Sir.

(b) The future course of action in regard to the Company will depend on a number of factors like the market scenario, recommendations of the Disinvestment Commission and the ability of the Company to sustain itself in the competitive environment.

Problems faced by Tea Industry

*591. SHRI KARNENDU BHATTACHARJEE : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is fact that the Tea Industry in India is currently facing serious problems all round;

(b) if so the, details thereof; and

(c) what steps are proposed to be taken to help the industry to face these challenges ?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) After a year of shortfall in production and exports in 1999, the tea industry is currently showing improvement on the production front. Production of tea during January and February 2000 was 37.72 million kgs as compared to 36.23 million kgs in the corresponding period of the previous year. However, tea indusrty has suffered a set back in exports as well as in prices fetched at auction during the same period.

(c) Several steps have been taken by the Government/Tea Board for increasing production and export of tea. The steps taken to increase production include financial assistance by Tea Board to the tea industry through its various developmental schemes for encouraging extension planting, re-planting, rejuvenation pruning, infilling, creation of irrigation facilities and drainage etc.

With a view to promote export of tea, Government and the Tea Board have been analysing country-wise exports of tea giving special attention to areas offering potential. Tea Board also acts to remove bottlenecks in exports to individual markets whenever these are noticed. Certain other steps taken to increase exports of tea include :

(i) participation in major trade fairs/exhibitions abroad;

(ii) field sampling at speciality stores and in principal markets.

(iii) media campaign to increase consumer awareness of the speciality of Indian teas and to popularise the Tea Board marketing symbol which stands for pure Indian tea.

(iv) exchange of tea delegations between India and tea importing countries.

With a view to compensate the small growers of tea for the low prices at the auctions, Government has implemented a Scheme through the Tea Board for providing subsidy for an amount equal to the shortfall between the auction price and Rs. 55 per kg. The extent of such subsidy will be limited to a maximum of Rs. 5 per kg of tea or to the extent it is less than Rs. 55 per kg at the auctions whichever is less.

Sale of Units of Sail

*592. SHRI SATISHCHANDRA SITARAM PRADHAN : Will the Minister of STEEL be pleased to state :

(a) whether Government are aware that Steel Authority of India Ltd. (SAIL) in order to clear its debt of Rupees twelve thousand crores proposes to sell its seven units;

(b) if so, the details thereof with details of debts;

(c) whether the SAIL has been incurring losses regularly;

(d) whether Government propose to take some measures to check its losses in future and convert it into a profitable venture;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY) : (a) and (b) As part of its business and financial restructuring